



Remarks For

The Hon. Steven C. Preston  
Administrator  
U.S. Small Business Administration

Delivered At

**STRAIGHT TALK 2007**

Buffalo, NY

January 20, 2007  
8:30 am

**Media:** Open.

**Notes:** *Straight Talk* is the premier small business outreach activity for the District. Audience of over 500 prospective and existing inner-city businesses, college students, and community partners. This is the 11th annual conference held in conjunction with our cosponsors – NAACP, Buffalo Urban League, Black Chamber of Commerce, SCORE Buffalo Niagara, federal and state agencies, county and local economic development agencies, faith based organizations, local banks and SBDC's. The conference serves as a springboard for eight follow-up seminars which in the past have had total attendance of over 400. You will be seated at a table with Buffalo Mayor Byron Brown, Erie County Executive Joel Giambra, and Reverend William Gillison, Mt. Olive Baptist Church (he gives the invocation). The county executive and mayor will be introduced by Frank Sciortino in the program. You will be introduced by Bill Manger and are invited to speak for 15 minutes.

Thank you Bill.

Reverend Gillison....I am honored to share this forum with you.

To all of our many co-sponsors, thank you for having me. It's a real pleasure to be here in a forum where so many small business people are focused on driving success in their businesses. This is the 11<sup>th</sup> Anniversary of *Straight Talk* and judging from the year after year growth of the forum, you have helped a lot of people.

I also like the name *Straight Talk* because that's the way I like to communicate.... and that's what I plan to do today.

Starting a business is not easy. You have to be willing to take risks others won't take. You must work around the clock if necessary. And you are not only the CEO, but the head of sales, head of finance and you do whatever else it takes. I often say, small business owners match every dollar of equity with \$10 of sweat equity. But that's also why you're successful where others are not.

It is important that you are here, because you are essential to the future of Buffalo. Not unlike many cities in America with a rich industrial history, Buffalo has faced and overcome many challenges.

At the turn of the last century, Buffalo was a growing city with a healthy economy. Immigrants came from Ireland, Italy, Germany, and Poland to work in the steel and grain mills which had taken advantage of the city's critical location at the junction of the Great Lakes and the Erie Canal.

Buffalo was one of the country's leading cities, and its largest inland port.

But over the decades a city, which boasted over half a million people at its peak, has seen its population decline by almost 50%, as the St. Lawrence Seaway enabled water traffic to bypass the city industries shut down and people left for the employment opportunities elsewhere

However, America is an economy that regenerates....that is flexible....that adapts to opportunity, in large part because out entrepreneurial culture has taught us

- To dream
- To see possibilities
- To make things happen

And today, Buffalo has been redefined as a cultural, banking, educational, and medical center.

The city was named by *Reader's Digest* as the third cleanest city in America in 2005. In 2001, *USA Today* named Buffalo the winner of its "City with a Heart" contest, proclaiming it the nation's "friendliest city." And twice, Buffalo has won the All-America City Award.

And from 1997 – the year *Straight Talk* began – until 2002 (the latest year for which US Census information is available):

- businesses in the Buffalo metropolitan area *increased* from 67,900 to 69,500 – driven by growth in minority and women owned firms.

These gains did not come easily, but with the help of small businesses,

they are happening. And there are so many good stories to tell, right here in Buffalo.

A great example is Sundra Ryce, who began her own construction and construction management company. SLR Contracting and Services, which is headquartered on Michigan Avenue, has become one of the fastest growing companies in Western New York, while providing construction services throughout the United States.

SLR's \$12 million in revenues, and annual growth rate of 43-percent placed Ryce's company among the 100 fastest-growing inner city companies in America in 2006, not to mention the fact she succeeded in an industry where we don't see a lot of women at the top.

Rand & Jones Enterprises Company, Inc. is another full service general construction firm founded by another woman, Joan Yang. As CEO, Ms. Yang built R&J into a \$15 million company that has completed more than \$60 million of construction projects over 20 years. R&J joins SLR in having its roots with SBA programs, and is a certified HUBZone, Small Disadvantaged Business, and a Woman-Owned Business.

There are thousands of similar success stories out there – all of them real – all heartening – many of them the result of assistance from the SBA.

We are an agency that supports millions of customers through training and development, extends or guarantees almost \$80 billion in credit, and

works with Federal Agencies in almost \$80 billion of Small Business procurements.

And with success stories like Apple Computer, Staples, Federal Express, Intel, and Nike we have had a remarkable impact on American industry.

Over the last six years, SBA lending has doubled and lending to minority entrepreneurs has increased over 150%. The number of entrepreneurs receiving SBA counseling is up 40-percent.

Let me tell you why that's important. Since August 2003, more than 7.2 million jobs have been created – more jobs than the European Union and Japan combined. Our economy has now added jobs for 40 straight months. And American workers are taking home more pay with those jobs. Real after-tax income per person has risen by 9.6 percent – \$2,840 – since the president took office.

Why is that? What is behind that story? I'll tell you who it is. You are! The entrepreneurs of our country.

- Small businesses drive our economy—the create 70% of the new jobs and represent more than half of our non-farm private GDP.
- Small businesses drive a tremendous amount of the innovation in our country; small “patenting firms” produce 13 – 14 times more patents per employee than their larger competitors do.

- Small business ownership allows people to realize dreams, not only for the owners and their families, but for those they employ and those they serve.

Small businesses also have the power to drive transformation in our more depressed communities by bringing jobs and services and opportunity to places where they have often been in short supply, and by giving ownership to people in those communities.

Let me pause for a second and talk about communities – something I talk about a lot:

- Communities are where we live
- They are where we raise our children and see their surroundings shape them
- Communities are the heart of who we are as a country
- They are for each of us.... our America
- And they are where we see the hope of a vibrant, free society become a reality....or not.

And to the extent that you, business owners, are located in urban neighborhoods or in rural areas that need more support, you are enabling the kind of transformation that can change the game for those communities and the people whose lives are based in them.

We at the SBA are particularly interested in being a partner in your success story. That is why we need thoughtful, fiscally responsible policies to unleash the power of entrepreneurial capitalism in underserved markets in this country. Driving successful, sustainable, business formation into underserved markets can ***CHANGE THE GAME*** for millions of Americans.

We have a new Congress and we should expect from them a continuation of the sound economic policies that have fostered an environment where innovation succeeds and small businesses flourish, fuel our economy, and create more jobs for American workers.

How do we create this environment?

- We do it by cutting taxes and keeping them low.
- We do it by cutting government red tape.
- We do it by opening more international markets to small businesses.
- And we do it by making it easier for small businesses and their employees to have access to health care.

We want you to be very successful, and these are the types of issues that should be important to you in the weeks and months ahead. In the words of President Bush:

***“If you own something, you have a vital stake in the future of our country.***

*The more ownership there is in America, the more vitality there is in America, and the more people have a vital stake in the future of this country."*

I believe that ownership anchors us in what is important for our businesses, for our employees, for our communities, and for America.

You know what I mean, because most of you are already there. But as you contemplate the future of your business, I am going to ask you to think big.

- If you are at a point or got to a point where your business is operating comfortably, don't stop there. Continue to innovate if you have new product or service ideas. Expand locally or even into a new community. Use your skills to start another business, creating more jobs.
- Look at export opportunities. Foreign markets are more open to US exports than ever before, because of free trade agreements. The ease of communication, and ability to ship goods more cheaply. Small businesses are taking advantage of foreign markets like never before.

We often hear concerns about China:

- But since 2001, US exports to China have grown five times faster than they have to the rest of the world.
- America's exports to China increased by 20% in 2005, building on 22% growth in 2004 and making China our fastest growing major export market.



And as you benefit from expansion, you will have the resources to be a good employer - - training and developing your people; providing them access to healthcare, and giving them a future.

And as you think about where to locate, where to hire, where to invest – think about the impact your decisions will have on our communities, and go where there is a need.

We want you to think big because it mean jobs for Americans, greater competitiveness in the global marketplace, and transformation for our communities.

We want you to be very successful, because that is good for America.

*Straight Talk* 2007 celebrates the benefits of an ownership society and is working to expand those benefits by helping you.

*Straight Talk* embodies SBA's strategic goal to increase small business success by increasing the number of successful small business start-ups. This event and follow-on workshop series serve to maximize the sustainability and growth of small businesses participating in the program. In addition, we at the SBA are here to help you with training and counseling support through our district offices and through our partnerships with the 11,000 volunteers of SCORE (check them out at [www.score.org](http://www.score.org)), through Small Business Development Centers located in colleges and universities, and through our Women's Business Centers,

one of which welcomed us at Canisius College last night, where we listened to success stories from small business owners they had helped launch. We are also here to help you by providing local banks with federal guarantees on loans to small businesses, so they can reach a bit further in extending capital. And, if you decided you want to sell your products and services to the government, we are here to help you through that process.

I moved from Chicago to Washington late this summer when I came to the SBA. So as I close, I would like to leave you with a word of encouragement from a famous Chicago architect, Daniel Burnham, who overcame tremendous obstacles to help put the city on the map over 100 years ago.

He said this: "Make no little plans. They have no magic to stir men's blood." That's a thought that I know has special resonance to all of us in this room -- entrepreneurs are the ones who made big plans, and have work that magic to turn them into reality.

Thank you for having me.

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